

Message Text

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PAGE 01 BELIZE 00799 241841Z

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ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 L-03 /079 W

----- 009682

R 212325Z NOV 75

FM AMCONSUL BELIZE

TO SECSTATE WASHDC 4512

UNCLAS BELIZE 0799

EO 11652:N/A

TAGS: EINV

SUBJ: INVESTMENT CLIMATE IN BELIZE

REF: STATE 261921

1. INVESTMENT CLIMATE: OVERALL, GOB IS CAUTIOUSLY RECEPTIVE TOWARDS DIRECT FOREIGN INVESTMENT (DFI) WITH THE POTENTIAL TO CONTRIBUTE TO DEVELOPMENT OF BELIZEAN RESOURCES. GOB OFFERS TAX HOLIDAY INCENTIVES OF UP TO TEN YEARS AND USEFUL STUDIES OF INVESTMENT POTENTIAL IN SUCH AREAS AS AGRICULTURE, LIVE-STOCK, TOURISM, AND "OFFSHORE" INDUSTRIES. LAND COSTS ARE QUITE LOW BUT SOMEWHAT OFFSET BY RELATIVELY HIGH CLEARING AND DEVELOPMENT COSTS. CORN, BEANS, RICE AND POTENTIALLY BEEF HAVE A READY MARKET IN CARICOM. EXPORT CONTROLS ARE ONLY RARELY IMPOSED TO GUARANTEE AVAILABILITY OF LOCAL FOODSTUFFS TO BELIZE'S 130,000 PEOPLE AT CONTROLLED PRICES CURRENTLY UP TO 40 PERCENT BELOW WORLD MARKET PRICES.

2. GOB HAS ENACTED SEVERAL INCENTIVES TO LAND DEVELOPMENT INCLUDING PROGRESSIVE TAXES ON IDLE RURAL LAND AND A REQUIREMENT THAT AN ALIEN LAND PURCHASER PRESENT AND CARRYOUT A REASONABLE DEVELOPMENT PLAN. GOB VIEWS THE ORDINANCES AS DISINCENTIVES TO SPECULATION THAT SHOULD NOT HAMPER THE SERIOUS INVESTOR/DEVELOPER. THE FEW INCIDENTS OF GOVERNMENT ACQUISITION IN RECENT YEARS SEEM TO BE RELATED TO GOB'S DESIRE TO SATISFY THE LAND AND ACCESS NEEDS

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OF SAML LOCAL FARMERS AND VILLAGERS IN LINE WITH THE GOVERNMENT

PARTY'S PERCEIVED "SACRED DUTY" TO INTERVENE IN THE ECONOMIC
LIVE "FOR THE BENEFIT OF ALL BELIZEANS." COMPENSATION HAS BEEN
FORTHCOMING AND HAS ON OCCASION BEEN REVIEWED AND ADJUSTED UP-
WARD BY AN INDEPENDENT JUDICIARY. GOB RECENTLY ENACTED LEGIS-
LATION TO MAKE POSSIBLE COMPENSATION PAYMENT IN TEN YEAR INTEREST
BEARING GOB "BONDS". OPIC POLITICAL RISK INSURANCE IS
AVAILABLE AND A DOUBLE TAXATION TREATY WITH THE USA IS IN FORCE.
GAWF

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NNN

Message Attributes

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